

APR 29 2019

UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA 94102

April 24, 2019

The Honorable Dennis Montalli  
United States Bankruptcy Court  
450 Golden Gate Avenue #36099  
San Francisco, CA 94102

**19-30088**

Dear Judge Montalli:

I respectfully and categorically disagree with your April 23<sup>rd</sup> decision to allow PG&E to disperse \$235 million in bonuses (STIP) to approximately 10,000 employees.

Your reasoning, though no doubt well-intentioned, was spurious and flawed. Specifically,

- A. Your ruling ignored the foundational basis of regular and incentive compensation. Namely, as Frederick Herzberg wrote in his seminal findings, "money is not a motivator but it can be a demotivator if it's not enough." The subject employee group all receive above market rates in their regular and benefit compensation and are not likely to be restive at the elimination of the STIP in 2019. Indeed, in similar situations in 1996-1997 and 2002-2003, no bonuses were paid to any employees and there was no increase in employee attrition nor did employee satisfaction levels decline.
- B. Incentive compensation, including PG&E's STIP, is built around the notion that when the company does well, employees should share in this success. Against that metric, the company's performance in 2017 and 2018 was terrible and, therefore, no rewards should be made.
- C. Retired PG&E officers-some in their 90's and people who had nothing whatsoever to do with the company's deplorable performance- have had their non-qualified pensions slashed. Similarly, retired managers, directors and supervisors, who also are blameless for the company's blunders, have not had any increases in their pensions for over 15 years. Why then should the current employees be rewarded when their predecessors are being financially punished?

Please reverse the wrong that your subjective decision creates and deny the request for the STIP in 2019.

Sincerely,



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